

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM

Office Correspondence

Date March 4, 1947

To Chairman Eccles

Subject: Commission on Treasury bill

From Woodlief Thomas

turnover

Mr. Miller of the New York Federal Reserve Bank informs me that the System does not pay the dealers a commission on the bills which the dealers buy and sell to the System Account each week. The dealers agreed with the Treasury to perform these transactions without charge. Actually the dealers receive about \$2.08 per 1 million dollars of bills so handled. This is because they purchase from the Treasury at a price of 99.905 per 100. They sell to the System at a price of 99.905208, which corresponds to the System buying rate of .375 per cent per annum.

Transactions through the dealers range around 600 million to 800 million weekly. Thus the dealers receive each week approximately 1,500 dollars of so-called profit.

W. T.